



> Horticulture Policy Wording

> Thankyou

For choosing to insure Your horticulture crop with Rural Affinity

What We would like You to do

1. Please take the time to read Your policy wording and Schedule, making sure that all details are correct.
2. Keep Your policy wording and Schedule in a safe place so that You can refer to them easily.
3. If You have any questions about Your insurance cover, You should contact Your insurance adviser.
4. When contacting Rural Affinity, please quote the policy number which is printed on Your Schedule.

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› Important information

Who is Rural Affinity?

Rural Affinity Insurance Agency Pty Ltd ABN 72 119 838 854 AFS Licence No. 302182 is an underwriting agent. In transacting this insurance, Rural Affinity is acting as an agent for Great Lakes Reinsurance (UK) PLC.

Who is the Insurer?

This insurance is underwritten by Great Lakes Australia, an authorised Australian insurer, regulated by the Australian Prudential Regulation Authority ('APRA').

Great Lakes Australia is a branch of Great Lakes Reinsurance (UK) PLC (ARBN 127 740 532, ABN 18 964 580 576, AFS Licence No. 318603), trading as "Great Lakes Australia" which is a limited liability company incorporated in England and Wales and a wholly owned subsidiary of the Munich Reinsurance Company. The Munich Re Group is one of the largest insurance groups in the world.

Great Lakes Australia has strong financial security characteristics. However, please note that ratings can vary from time to time. You can check Great Lakes Australia's current rating at the following website:

Standard & Poors: www.standardandpoors.com

Great Lakes Australia can be contacted as follows:

143 Macquarie Street, Sydney, NSW, 2000
PO Box H35 Australia Square, Sydney, NSW, 1215
(02) 9272 2050 | reception@gla.com.au | www.gla.com.au

Great Lakes Australia is a party to the General Insurance Code of Practice. You can access the Code at www.codeofpractice.com.au or via the Great Lakes Australia website.

Your Duty of Disclosure

Before You enter into a contract of insurance with Us, the *Insurance Contracts Act 1984* requires You to provide Us with the information We need to enable Us to decide whether and on what terms Your proposal for insurance is acceptable and to calculate how much premium is required for Your insurance.

You will be asked various questions when You apply for this policy. When You answer these questions, You must:

1. give Us honest and complete answers,
2. tell Us everything You know, and
3. tell Us everything that a reasonable person in the circumstances would be expected to tell Us.

What You do not need to tell Us

You do not need to tell Us about any matter:

1. that diminishes Our risk,
2. that is of common knowledge,
3. that We know or should know as an insurer, or
4. that We tell You We do not need to know.

Who does the duty apply to?

Everyone who is insured under this policy must comply with the duty.

What happens if You or they do not comply with the duty?

If You or they do not comply with this duty, We may cancel the policy or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the policy as if it never existed and pay nothing.

› Important information (continued)

Privacy

We and Great Lakes Australia are bound by the requirements of the *Privacy Act 1988*, which sets out standards on the collection, use, disclosure and handling of personal information.

We collect personal information from You for the purpose of providing You with insurance products and services and for processing and assessing claims.

Personal information is treated with care. We will not release Your personal information to anyone else other than Great Lakes Australia, its related entities, Your insurance intermediary or as permitted or required by law.

If You make a claim under this insurance, We may disclose information to (and/or collect additional information about You from) claims investigators, claims managers, assessors and lawyers.

You have the right to seek access to Your personal information and to correct it at any time.

If You require further information or would like a copy of Our Privacy Policy please contact Our Privacy Officer on 02 9496 9300 or write to Us at the address given further below. A copy of Our Privacy Policy can also be obtained from Our website.

Details on Great Lakes Australia's Privacy Policy can be found at www.gla.com.au or by contacting them:

The Privacy Officer
143 Macquarie Street, Sydney, NSW, 2000
(02) 9272 8000 | privacyofficer@gla.com.au

Dispute resolution

We view seriously any complaint made about Our products or services and will deal with it promptly and fairly.

If You have a complaint please first try to resolve it by speaking to the relevant member of Our staff.

If the matter is still not resolved, please then contact Our Internal Disputes Resolution Officer on (02) 9496 9300. We will acknowledge receipt of Your complaint within 3 working days.

If the complaint relates to the insurance cover We will work with Great Lakes Australia to resolve the complaint. We will, provided We have sufficient information, complete the review within 15 working days. Where We are unable to do so, We will agree a new timeframe for responding to You. In any case, We will provide You with an update every 10 working days.

If You are a natural person or a small business, and You are not satisfied with the final decision, You may wish to contact the Financial Ombudsman Service ("FOS"). The FOS is a free independent external disputes resolution service provided to customers to review and resolve complaints where We have been unable to satisfy Your concerns.

For further details you can visit their website www.fos.org.au or contact them:

GPO Box 3, Melbourne, VIC, 3001
1300 78 08 08 | info@fos.org.au

Cost of Insurance

When We calculate Your insurance premiums, We take into account the following factors:

1. the insured events which are covered;
2. the Crop(s) grown;
3. the location of the Crop(s);
4. the Excess which applies;
5. the Sum Insured selected by You.

> Important information (continued)

Words with special meaning

In this policy wording and Your Schedule there are words which have a special meaning. These words appear with a capital first letter. The meaning of these words is shown in the Definitions section on page 12 of this policy wording.

Jurisdiction

Should any dispute arise in relation to Your policy, it will be dealt with in the Australian state or territory where You purchased the policy, and in accordance with the laws of that Australian state or territory.

> Our agreement

When You have paid (or agreed to pay) the premium to Us, We will give You the cover described in this policy.

The policy consists of:

1. Your proposal;
2. this policy wording;
3. the Schedule.

> Who is covered?

The person or organisation named in the Schedule is covered under this policy. In the policy wording and Schedule, they are referred to as "You" or "Your".

To protect anyone else with rights over Your Crop (such as a finance provider) You should have them named on Your Schedule.

No interest in this policy can be transferred or assigned without written agreement by Us.

> Period of cover

Cover begins 48 hours after 9am on the day We agree to accept Your proposal and ends at 4pm on the expiry date listed on Your Schedule.

> The cover

This policy covers growing Crops against loss of Potential Yield caused by an insured event which occurs during the period of cover.

The insured events are:

1. impact by hail and/or
2. fire.

Your Schedule shows which insured events are covered.

Claims will be settled according to the Basis of settlement and are subject to the terms, exclusions and conditions of this policy.

The maximum amount We will pay for any claim under this policy is the Sum Insured shown on Your Schedule, less any Excess, unless otherwise stated in the policy wording.

> Additional benefits

If Your Schedule states that cover is for “impact by hail”, the following additional benefits apply. These covers are provided in addition to the Sum Insured.

Transit

This additional benefit covers accidental loss or destruction to harvested Crops during transit from Your orchard to a packhouse or receipt point.

We will not cover loss or destruction to harvested Crops when carried:

1. in an overloaded or unroadworthy vehicle; or
2. in an uncovered or inadequately constructed vehicle or bin.

We will not cover loss due to theft or unexplained shortage of fruit.

Claims will be settled according to the basis of settlement. The most We will pay during any one period of cover is \$25,000. An Excess of \$1,000 applies to each and every claim.

Harvested Crop

This additional benefit covers loss of harvested Crops caused by:

1. fire or lightning
2. explosion
3. earthquake
4. wind or Water, not including flood. Flood is the escape of water from a natural or modified watercourse, lake or dam resulting in the flow of water onto land which is normally dry.
5. impact by any animal or land vehicle
6. impact by aircraft, other aerial device or article dropped from them, not including chemical substances.

We will not cover loss of harvested Crop unless it is stored in a soundly constructed, fully enclosed building. The most We will pay for all claims under this additional benefit during any one period of cover is \$25,000. An Excess of \$1,000 applies to each and every claim.

> Optional benefit

The following optional benefit only applies where:

1. We have approved Your proposal for the optional benefit;
2. You have agreed to pay any additional premium;
3. Your Schedule states that the optional benefit applies.

These covers are provided in addition to the Sum Insured.

Additional Expenses

This optional benefit covers for any reasonable additional expenses which are incurred to mitigate a loss which occurs as a result of an insured event. These costs must be approved by the loss adjuster and must be in addition to Your normal operating costs. All costs must be incurred during any one period of cover. The most We will pay for this optional benefit is the additional expenses sum insured per hectare shown on Your Schedule for each affected hectare.

> Basis of settlement

Growing Crops – Orchard Excess

Claims will be settled as follows:

- Step 1: The loss adjuster determines the gross loss percentage for each block. The gross loss percentage is the ratio of Claimable Fruit to the Potential Yield.
- Step 2: The gross loss value is determined for each block by multiplying the gross loss percentage by the Sum Insured per block.
- Step 3: The total gross loss value is calculated by adding the individual gross loss values from each block.
- Step 4: The orchard Excess is calculated as a percentage of the Sum Insured per orchard. This is deducted from the gross loss value to determine the final claim payment. The Sum Insured per orchard is the sum of all the individual block Sum Insureds.

Claim Example – Applying an Orchard Excess

BLOCK NO	SUM INSURED	GROSS LOSS %	GROSS LOSS VALUE
1	\$80,000	30%	\$24,000
2	\$50,000	50%	\$25,000
3	\$40,000	0%	\$0
4	\$30,000	0%	\$0
TOTAL	\$200,000		\$49,000

The orchard Excess is \$30,000 (i.e 15% of \$200,000)
The claim payment is \$19,000 (i.e \$49,000 - \$30,000)

› Basis of settlement (continued)

Determination of Claimable Fruit

The following table will be used to determine the amount of Claimable Fruit.

GRADE	DESCRIPTION OF LOSS	POLICY RESPONSE	
1	Undamaged fruit; or Minor damage (see below)	Fruit classified as Grade 1 will not form part of the claim	Non-claimable Fruit
2	Moderate damage (see below)	2A This is up to 15% of the number of Grade 1 fruit. This fruit will not form part of the claim.	
		2B The remaining Grade 2 fruit will form part of the claim.	Claimable Fruit
3	Major damage (see below)	Fruit classified as Grade 3 will form part of the claim.	

Minor Damage means:

- not more than two light spots (less than 2mm in diameter) not sunken or dark coloured; or
- not more than one heavy spot (2-4mm in diameter) not sunken or dark coloured; and
- no pierced skin; and
- no bruised flesh

Moderate Damage means:

- Three or four light spots (less than 2 mm in diameter) not sunken or dark coloured; and
- no pierced skin; and
- no bruised flesh

Major Damage means fruit with any of the following:

- split skin
- bruised flesh
- more than four light spots (less than 2mm in diameter) not sunken or dark coloured
- more than one heavy spot (greater than 4mm in diameter)
- fruit on the ground
- burnt fruit (if fire selected)

Harvested fruit and Crop in transit

The amount of any claim will be calculated by multiplying the quantity of fruit lost or destroyed (in tonnes), by the Insured Value less the Excess. An Excess of \$1,000 will apply.

Timing of claim payment

We will not pay for any claim until:

1. the loss adjustor has been able to determine the extent of loss.
2. all premium has been paid.

› Exclusions

This policy does not cover any claim arising directly or indirectly from:

1. war or warlike activities;
2. anything nuclear or radioactive;
3. insured events that occurred before the contract was entered into;
4. a deliberate act carried out by You or by any person acting with Your permission, except when it is to avoid or reduce damage that would otherwise happen;
5. lawful seizure, confiscation or requisition by an order of any Government, Public or Local Authority. However, We will pay for damage that occurs as a result of the order if it prevents or attempts to prevent a loss that would be covered under this policy; or
6. any act of Terrorism.

We will not pay for:

1. loss due to rejection or downgrading by a buyer or packhouse;
2. consequential loss of any kind;
3. losses caused by water or moisture;
4. losses caused by disease, birds, termites, vermin, insects or larvae;
5. loss of production in subsequent seasons;
6. sunburn;
7. loss due to contamination;
8. loss due to smoke.

› Claims conditions

In the event of a claim

As soon as You become aware of any loss that may result in a claim under this policy:

You must:

1. contact Us as soon as possible (within 48 hours), telling Us the time that the loss occurred and the details of the Crop(s) involved;
2. complete Our claim notification form and give it to Us promptly;
3. take all reasonable steps to reduce the loss and avoid any further loss, damage or destruction;
4. give Us and Our representatives free access to assess any claim;
5. try to get the details of any other person or property involved and details of any witness;
6. report to the police if You suspect arson or malicious damage. You must do this as soon as possible;
7. tell Us the identity of anyone who has an interest in the Crop;
8. tell Us about any other insurance which covers the Crop.

You must not do or say anything which may disadvantage Our ability to make a recovery against any other person.

In the event of a claim, Rural Affinity can be contacted on 02 9496 9300.

After Your claim is made

After We have paid a claim under this policy, We have the right to take over any legal right of recovery which You have. If We do this, it will be for Our benefit and at Our expense. You must not do anything that prevents Us from doing this and You must give Us any information or assistance We require.

If anybody compensates You for loss, damage or destruction to Crop after We have paid a claim for the Crop, You must reimburse Us for that payment. You must do this as soon as the compensation is made.

> General conditions

If You do not follow these conditions, We may reduce the size of a claim or charge an additional premium to reflect the extent to which Our interests have been prejudiced.

Adjustment of Sum Insured

In the event of a claim, if the average Potential Yield is found to be less than 75% of the Insured Yield in a Crop, We will recalculate the Sum Insured using the Potential Yield. If the final yield of a Crop is less than 75% of the Insured Yield and there has been no claim made, We will recalculate the Sum Insured. In such circumstances You must notify Us and We will provide You with a declaration to complete.

If the Sum Insured is recalculated in accordance with this condition We will recalculate Your premium and provide You with a return premium.

Care and protection

Reasonable care must be taken to ensure the protection and preservation of the Crop(s) at all times. All Crop(s) must be harvested as soon as possible and without undue delay.

Cancelling the policy

By You

You may cancel the policy by writing to Us. You will still be required to pay the premium if You cancel the policy.

By Us

We have a right to cancel this policy under certain circumstances. If We cancel Your policy, We will inform You in writing and refund all premium You have paid (or agreed to pay) Us for the time remaining on the policy.

Underinsurance

In the event of a claim, the area of an affected Crop used to calculate the Sum Insured will be the lesser of the area shown on the Schedule or the actual area of the Crop planted.

If the actual area of Crop on an insured property is found to be greater than the area insured, all claims will be reduced in accordance with the proportion the insured area represents of the total actual area.

> Definitions

Claimable Fruit

Means fruit which is classified as Grade 3 or Grade 2B based on the standards listed on page 8 of the policy wording.

Crop(s)

Means the fruit listed by block as described on Your Schedule.

Excess

Means the percentage of the Sum Insured per orchard that You must bear in the event of a loss. If You have started to harvest the Crop(s) the Excess is applied to the combined Sum insured of both the harvested and unharvested portions of the Crop.

Insured Yield

Means the average yield per hectare nominated by You and agreed by Us, as shown on Your Schedule.

Insured Value

Means the value per tonne nominated by You and agreed by Us, as shown on Your Schedule.

Potential Yield

Means the yield that the block would have achieved if the insured event had not occurred.

Salvage

Means any income, less any costs associated with the Salvage effort, received from the sale or disposal of Claimable Fruit for which a claim would be paid. Costs associated with the Salvage effort will not include any normal staff or overhead costs incurred by You.

Schedule

Means the document that contains details of the policy which are specific to You. If the policy is changed, We will give You an updated Schedule.

Sum Insured

Means the amount calculated as follows:

Sum Insured = Insured Yield x Insured Value x area (ha)

Terrorism

Means an act, including but not limited to the use of force, violence or the threat thereof, of any person or group(s) of people, whether acting alone or on behalf of or in connection with any organisation(s) or government (s), which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

We/Us/Our

Means Rural Affinity acting under a binder as an agent of Great Lakes Australia.

You/Your

Means the person or organisation named in Your Schedule as the insured.



Level 5, 7-9 Merriwa Street
PO Box 236 Gordon NSW 2072
T 02.9496.9300 | F 02.9496.9308
www.ruralaffinity.com.au

ABN 72 119 838 854 AFS Licence No. 302182

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